

IN THE MATTER OF
THE SECURITIES LEGISLATION OF BRITISH COLUMBIA
MANITOBA AND NEW BRUNSWICK

AND

IN THE MATTER OF THE
MUTUAL RELIANCE REVIEW SYSTEM
FOR EXEMPTIVE RELIEF APPLICATIONS

AND

IN THE MATTER OF DUNDEE WEALTH MANAGEMENT INC.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "**Decision Maker**") in each of Manitoba, British Columbia and New Brunswick (the "**Jurisdictions**") has received an application from Dundee Wealth Management Inc. (the "**Company**") for a decision pursuant to the securities legislation of the Jurisdictions (the "**Legislation**") that the registration and prospectus requirements contained in the Legislation shall not apply to the automatic conversion of certain subscription receipts of the Company into Common Shares of the Company as described herein;

AND WHEREAS under the Mutual Reliance Review System for Exemptive Relief Applications (the "**System**"), The Manitoba Securities Commission is the principal regulator for this application;

AND WHEREAS unless otherwise defined, the terms herein have the meanings set out in National Instrument 14-101, *Definitions*;

AND WHEREAS the Company has represented to the Decision Makers that:

1.1 The Company was incorporated under the *Business Corporations Act* (Ontario) by articles of incorporation dated November 6, 1998. The Company's registered head office is located at Suite 5500, Scotia Plaza, 40 King Street West, Toronto, ON M5H 4A9.

1.2 The Company has, through its operating subsidiaries, three main businesses:

- (i) investment management;
- (ii) advisory services; and
- (iii) capital markets, comprised of institutional sales and trading, investment banking and research.

As of October 31, 2003, the Company had approximately \$10.3 billion of assets under management comprised of mutual funds, closed-end funds, a labour-sponsored investment fund and private client investments and had approximately \$9.3 billion of assets under administration with approximately 451 financial advisors located in over 140 independent branches across Canada. The Company is an approximately 83.8% owned subsidiary of Dundee Bancorp. Inc.

1.3 The Company is authorized to issue an unlimited number of common shares ("**Common Shares**"), an unlimited number of special shares, issuable in series, an unlimited number of first preference shares, issuable in series, an unlimited number of second preference shares, issuable in series and an unlimited number of third preference shares, issuable in series. There are five designated Special Shares series: Special Shares, series A, Special Shares, series B, Special Shares, series C, Special Shares, series D and Special Shares, series E. The first series of First Preference Shares is designated as Series X Shares. The Company's Common Shares are listed and posted for trading on The Toronto Stock Exchange.

1.4 The Company is a reporting issuer or the equivalent in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, Nova Scotia, Prince Edward Island and Newfoundland.

1.5 The Company has entered into a definitive agreement with Cartier Partners Financial Group Inc. ("**Cartier**") to acquire 100% of the outstanding common shares of Cartier pursuant to a public take-over bid (the "**Cartier Offer**") to all shareholders of Cartier for aggregate consideration of \$123.4 million. The Company concurrently entered into agreements with the controlling shareholder of Cartier (the "**Vendor**"), to: (i) acquire, pursuant to the Cartier Offer, the Cartier Shares held by the Vendor; (ii) acquire from the Vendor its shares in Cartier Mutual Funds Inc. ("**Cartier MF**") (the "**Cartier MF Share Purchase**"); and (iii) acquire from the Vendor outstanding indebtedness owed by Cartier and Cartier MF to the Vendor (the "Cartier Debt Acquisition" and, together with the Cartier Offer and the Cartier MF Share Purchase, the "Acquisition").

1.6 The Company filed an amended and restated preliminary prospectus on November 18, 2003 in each of the Selling Jurisdictions (as defined hereinafter) in respect of the Offering and intends to file a final prospectus (the "**Final Prospectus**") in December, 2003 pursuant to which the Company will offer (the "**Offering**") subscription receipts (the "**Subscription Receipts**") to members of the public in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador (the "**Selling Jurisdictions**").

1.7 The gross proceeds from the sale of the Subscription Receipts (the "**Escrowed Funds**") will be held in escrow by Computershare Trust Company of Canada as escrow agent (the "**Escrow Agent**") pending satisfaction of the Escrow Release Condition (as defined below). Provided that the Escrow Release Condition is satisfied on or before the earlier of (i) 5:00 p.m. (Toronto time) on March 31, 2004, and (ii) the time that the agreements governing the terms of the Acquisition are terminated (the "**Termination Time**"), the Escrowed Funds (together with interest thereon)

will be released to the Company within three business days of the date such condition is satisfied.

1.8 The Subscription Receipts will be issued pursuant to a Subscription Receipt Agreement. Pursuant to the Subscription Receipt Agreement, each Subscription Receipt will be automatically exchanged for one Common Share of the Company without payment of additional consideration at 5:00 p.m. (Toronto time) on the date of closing of the Acquisition (the "**Automatic Conversion**").

1.9 Purchasers of Subscription Receipts will be provided with a copy of the Final Prospectus which will provide full, true and plain disclosure relating to the Subscription Receipts, the Company, the Acquisition, the Automatic Conversion and the Common Shares.

1.10 If the Escrow Release Condition is not satisfied by the Termination Time, the Escrow Agent will return to holders of Subscription Receipts, commencing on the second business day following the Termination Time, an amount equal to the issue price therefor and their pro rata entitlements to interest and other income earned on the Escrowed Funds (less applicable withholding taxes).

1.11 As used herein, "Escrow Release Condition" means (i) receipt by the Escrow Agent of notice from the Company confirming that it has not waived, without consent of the co-lead underwriters of the Offering, on behalf of the underwriters of the Offering, a Material Adverse Change (as defined in the Final Prospectus) that has occurred and is continuing, and (ii) take-up by the Company of at least the Minimum Number of Cartier Shares (as defined in the Final Prospectus) outstanding at the time of take-up pursuant to the terms of the Cartier Offer.

1.12 No commission or other remuneration will be paid or given to others in respect of the distribution of the Common Shares except for ministerial or professional services or for services performed by a registrant registered to trade in securities.

1.13 There may be no registration or prospectus exemptions available under the Legislation for trades made in connection with an Automatic Conversion.

AND WHEREAS under the System this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the "**Decision**");

AND WHEREAS each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the Decision has been met;

THE DECISION of the Decision Makers under the Legislation is that the registration requirement and the prospectus requirement shall not apply to trades made in connection with an Automatic Conversion provided that any trade in Common Shares acquired pursuant to an Automatic Conversion under this order shall be deemed to be a distribution or a primary distribution to the public unless the conditions in section 2.10 of Multilateral Instrument 45-102, *Resale of Securities*, are satisfied.

DATED this 16th day of December, 2003.

"Chris Besko"

Deputy Director - Legal